



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



Projected State Costs for 2013-14

Projected **Retirement** Employer Cost
Retirement Systems of Alabama
(Amounts in millions)

Retirement	Actual 2011-2012	Estimated 2012-2013	Estimated 2013-2014
Teachers'	\$632	\$610	\$706
Employees'			
Regular-State	136	146	172
Judicial	11	14	15
Total Retirement Cost	\$779	\$770	\$893

Projected **Insurance** Employer Cost
Retirement Systems of Alabama
(Amounts in millions)

Insurance	Actual 2011-2012	Estimated 2012-2013	Estimated 2013-2014
PEEHIP (Teachers)	\$875	\$875	\$875
SEHIP (State Employees)	358	329	346
Total Insurance Cost	\$1,233	\$1,204	\$1,221

Note: PEEHIP numbers include amounts from Universities for retiree costs.

Amendments RSA Members Need to Consider on November 6

By David G. Bronner

Please exercise your right to vote on November 6. Many brave Americans gave their lives for this privilege. But prepare yourself for a long ballot.

Nationally, voters will decide on the Presidential and Congressional races. Statewide, the chief justice of the Alabama Supreme Court and the president of the Public Service Commission (PSC) are up for vote. Also on the ballot are numerous statewide and local amendments to be considered.

Personally, I believe Amendments One, Two, and Four deserve your support.

- **Amendment 1: Reauthorizing the Forever Wild Land Trust for 20 more years.** The Forever Wild Land Trust has done a great job for 20 years and should be extended. The Trust has purchased 227,000 acres (3.66%) for public use, but Alabama still has the lowest percentage of public conservation land in the Southeast.

(<http://arc-sos.state.al.us/PAC/SOSACPDF.001/A0008609.pdf>)

- **Amendment 2: Refinancing outstanding debt.** Think of it as receiving a lower-cost mortgage on your house. It is essential for giving Governor Bentley the proper funding to recruit new jobs to Alabama. Job expansion greatly helps funding for both state budgets!

(<http://arc-sos.state.al.us/PAC/SOSACPDF.001/A0009583.pdf>)

- **Amendment 4: Removing racist language.** In my opinion, this amendment does not affect public education. Some lawmakers feel it does not go far enough, but I think it is at least a step in the right direction. The racist language in our constitution is not helpful to anyone.

(<http://arc-sos.state.al.us/PAC/SOSACPDF.001/A0008647.pdf>)

If you would like to read the full language of all the amendments, go to: www.sos.alabama.gov/downloads/election/2012/general/statecert-amendments-last-revised-2012-08-14.pdf ■

Golf Magazine – RTJ Trail Has No Equal

“For great courses at muni-golf prices, the Trail has no equal.”



With the state’s loyalties divided between the Alabama and Auburn football teams, let’s break the tie: Alabama’s No.1 sports draw is the Robert Trent Jones Golf Trail. As golf attractions go, it’s unequaled in the U.S. simply for offering a large quantity of world-class golf at municipal course prices.

Two decades after it opened, the Trail now

boasts 11 sites, each within 30 minutes of the interstate and no more than a two-hour drive from course to course. Since kicking off in 1992, tracks such as Ross Bridge, near Birmingham, and Lakewood, in Point Clear, have upped the quality and made fine lodging a higher priority than it

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Editorial: *Decatur Daily*

Alabama's taxes are too low to operate a state, even with the minimal services to which Alabamians have become accustomed.

For many, the wake-up call came with the Sept. 18 referendum transferring \$437 million over three years from the Alabama Trust Fund to the General Fund. Voters approved the amendment – with considerable frustration – because they recognized elected officials could not cover the most basic obligations of the state without the money.

While some streamlining already has taken place and more may be possible, there is a massive gap between state revenue and expenses. This should come as no surprise, as Alabama's per-capita tax burden is the next-to-the-lowest in the nation.

It maintains this ranking while having the eighth-highest state and local sales tax rates, which disproportionately burden the poor. The total tax burden is low, even though Alabama is one of only two states that offers no tax breaks on groceries.

This \$437 million gap, however, tells only part of the story. Alabama maintains its low tax rate in part by relying on the federal government. The latest data from the Tax Foundation shows Alabama received \$1.66 from the federal government for every \$1 it sent to Washington. Residents of other states are paying more so we can keep our

taxes low.

Many of our hospitals and doctors are staying in business only because the state receives \$2 in federal money for every \$1 it spends on Medicaid. Our Medicaid expenditures are high not because the state is lavish – the state program barely meets minimum standards and is among the worst-funded in the nation – but because many Alabamians are poor. The state's median household income is 46th in the nation.

Using Mitt Romney's gauge of worth, Alabama fails miserably. The state has the third-highest percentage of citizens whose income is so low they owe no federal income tax.

The answer is not to squeeze more taxes from the politically impotent poor. Low- and middle-income Alabamians pay more than twice as much of their income in state and local taxes as do those with the highest incomes.

The Legislature instead needs to evaluate the tax code with an eye toward raising revenue from those corporations and individuals who can best afford it.

Since many tax breaks have been maintained through generous political contributions, legislators will be in the awkward position of having to place the interests of the state over the interests of their generous financial supporters.

Responsible leadership is tough. ■

TAXATION

By David White, *Birmingham News*

Alabama is near the bottom of the pack nationally in combined state and local taxes paid per resident in the 2010 fiscal year.

1.	Alaska	\$8,684
2.	Washington, D.C.	\$8,359*
3.	New York	\$7,030
4.	Wyoming	\$6,174
5.	Connecticut	\$5,991
6.	New Jersey	\$5,812
7.	North Dakota	\$5,172
8.	Massachusetts	\$5,113
9.	Maryland	\$4,861
10.	Hawaii	\$4,851
National average		\$4,112
42.	Missouri	\$3,167
43.	Georgia	\$3,108
44.	Arizona	\$3,072
45.	Oklahoma	\$3,039
46.	Mississippi	\$3,023
47.	Utah	\$3,011
48.	Tennessee	\$2,875
49.	South Carolina	\$2,845
50.	Alabama	\$2,779
51.	Idaho	\$2,769

* Taxes were all local.

Source: A *Birmingham News* review using U.S. Census Bureau reports on state populations in 2010 and on combined tax collections by state and local governments in the 2010 fiscal year.

Golf Magazine — RTJ Trail Has No Equal

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was in the early days. Still the Trail is defined by the consistency and value of its 468 holes.

Every one of the 27-, 36- and 54-hole facilities features pristine, back-to-nature settings and challenging layouts that are relentlessly long, tough, and boldly bunkered, with most tee times priced between \$46 and \$81 year-round.

Other regional and themed course collections have sprung up to challenge Alabama's supremacy, but none has enjoyed this level of success.

Happy Birthday, RTJ Trail – here's to another 20 great years. ■

Small Business Concerns

Uncertain, for sure. Biggest problems for small businesses in US

Rank, 2012 (2008)	Problem	Respondents saying problem is "critical", %
1 (1)	Cost of health insurance	52
2 (-)	Uncertainty over economic conditions	38
3 (2)	Cost of fuel	35
4 (-)	Uncertainty over government actions	35
5 (6)	Unreasonable government regulation	34
6 (3)	Federal taxes on business income	30
7 (5)	Tax complexity	29
8 (15)	Frequent changes to federal rules	24
9 (4)	Property taxes	24
10 (7)	State taxes on business income	24

Source: National Federation of Independent Business



WANT TO HELP?

A FREE Car Tag

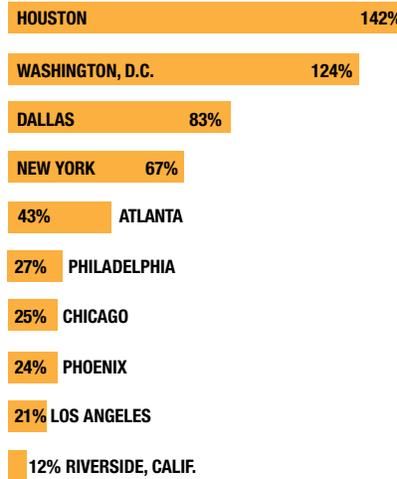
Tired of that worn-out dealer tag on the front of your car? Would you like to help the RSA and our Alabama Tourist Department advertise "Alabama's Robert Trent Jones Golf Trail" on your front bumper? If so, call to request a tag at 334.517.7000, or 877.517.0020, or write:

Tag • P.O. Box 302150
Montgomery, AL 36130-2150

NEW IN TOWN

HOUSTON'S HOPPING ECONOMY SPIKED NET MIGRATION IN THE LAST FEW YEARS

PERCENT OF JOBS RECOVERED FROM RECESSION LOSSES



NET MIGRATION GAIN/LOSS LAST 5 YEARS

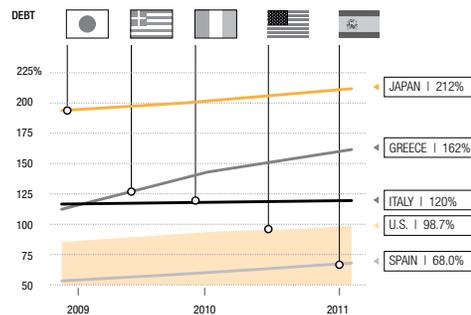


Sources: Moody's Analytics; Greater Houston Partnership; U.S. Census; U.S. Bureau of Labor Statistics.

HISTORIC PROPORTIONS

The only period when the U.S. was more indebted than it is now was during and just after World War II.

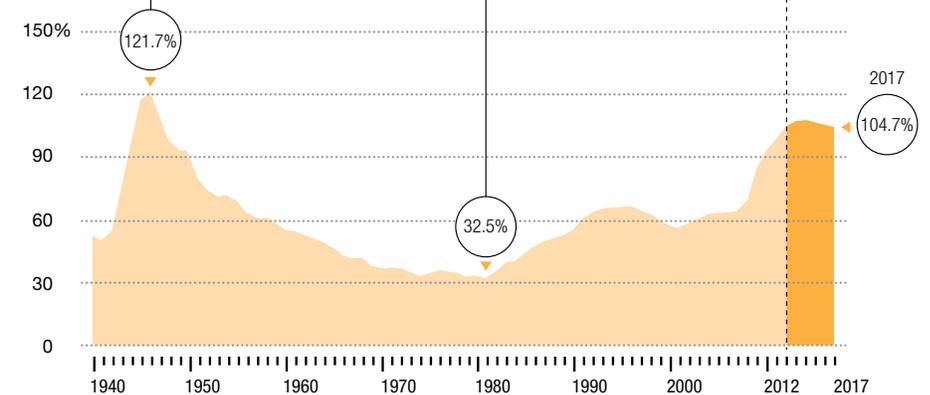
Debt % of GDP



Sources: Office of Management and Budget, CIA World Factbook

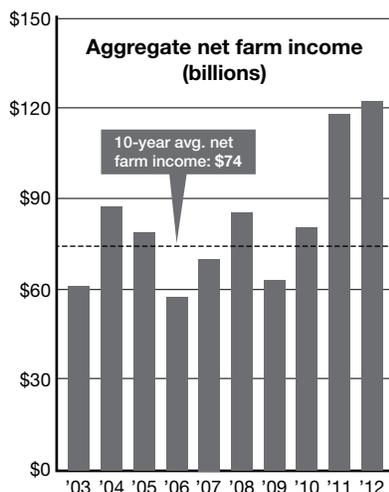


DEBT AS A PERCENTAGE OF GDP



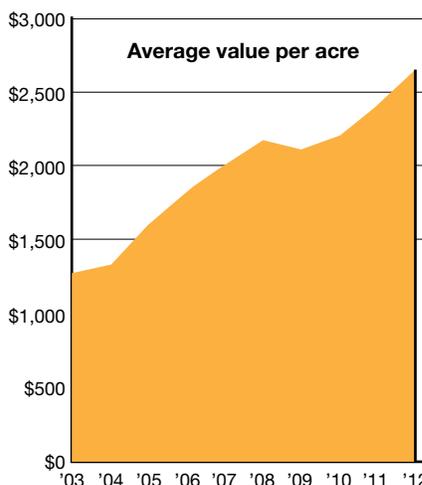
Betting The Farm

Income rises: Net farm income is forecast to be a record \$122.2 billion in 2012, driven by price gains in corn and soybeans, coupled with crop insurance indemnities.

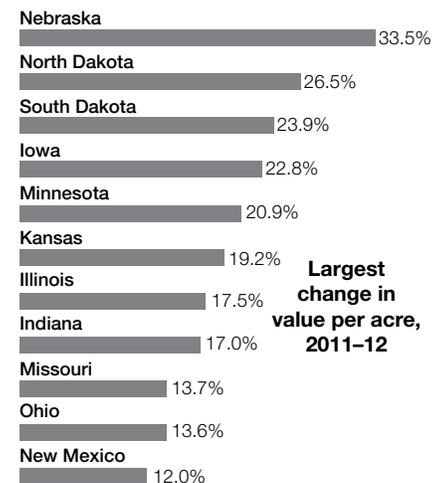


Source: Bloomberg LP; CME Group

Land value keeps climbing: U.S. farm real estate values grew 10.9% from a year earlier, to \$2,650 per acre. Since falling slightly in 2009, real estate values have increased by nearly 8% annually.



Gains by state: The largest land value gains were seen in the Northern Plains and Corn Belt regions, where the average price per acre rose by 26.7% and 18.3%, respectively.



Compiled and designed by Timothy Pollard and Gregg A. Runburg

It is Time To Have Fun and Enjoy the Family Plan Your Holidays for Our Hotels, Spa, and Golf

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ENJOY YOUR WINTER
A Special Deal
FOR RSA MEMBERS

**The Battle House,
A Renaissance Hotel – Mobile – \$99**
• November 4-6, 11-15, 17-30 • December 1-30
• January 1-3, 8-12, 27-31

The Renaissance Riverview Plaza – Mobile – \$89
• November 4-6, 11-15, 17-30 • December 1-30
• January 1-3, 8-12, 27-31

Marriott Grand – \$99 plus a 15% resort fee
• November 1-5, 9-13, 26-30
• December 1-9, 14-22, 27-30
• January 1-8, 12-21, 25-28

Marriott Grand – RSA Golf Package – \$169
NEW! Enter code – RSPRSPA
Includes: Deluxe Room, One Round of Golf for Two People.
Call for Tee Times after booking package

• November 1-5, 9-13, 26-30
• December 1-9, 14-22, 27-30
• January 1-8, 12-21, 25-28

Marriott Shoals – Florence – \$89
• November 11-12, 18-19, 21-26
• December 7-10, 16-27 • January 1-6, 19-21, 25-27

Renaissance Ross Bridge – Hoover – \$99
• November 1, 4-5, 16-22, 25-30
• December 1-6, 9-10, 16-30
• January 1-8, 11-14, 17-22, 25-30

Opelika Marriott – \$89
• November 1, 4-8, 11-15, 18-29
• December 1-5, 8-31 • January 1-17, 19-31

Prattville Marriott – \$89
• November 1-5, 7, 10-14, 17-20, 22-27
• December 1-4, 6-7, 9-10, 15-17, 22-31
• January 1-6, 8-12, 17-20, 25-28

Renaissance Montgomery – \$99
• November 4-5, 8, 12, 16-19, 24-25
• December 9, 12-15, 19-21, 23-30
• January 1-2, 6-7, 12-14, 17, 23-24

RSA Spa Package – \$179
NEW! Enter code – RSPRSPA Includes Deluxe Room
• November 8 • December 12, 14, 19-21
• January 2, 17, 24

*Rates available the 1st of the month
and are not applicable to groups.*

800-228-9290 Ask for RSA rate.

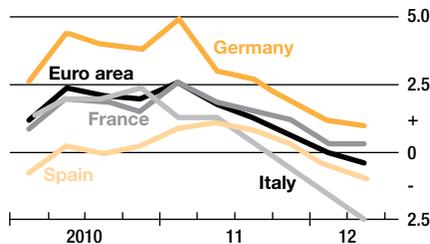
NEW! Internet Group Code: RSARSAA
on marriott.com

Book Online and Save RSA \$4.

Germany

Even the locomotive is slowing

GDP, % change on a year earlier

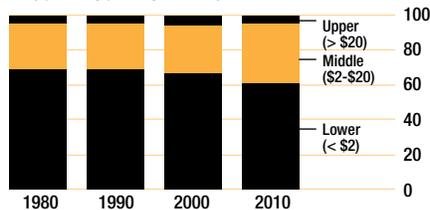


Source: Eurostat

Africa

Middle-class spread

African population by class
%, (spending per day at PPP*)

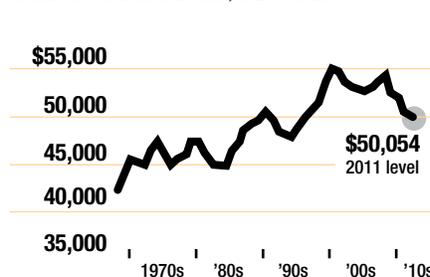


Source: African Development Bank *Purchasing-power parity

United States

'90s Flashback

Median U.S. household income, in 2011 dollars



Source: U.S. Census Bureau The Wall Street Journal



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